

BOARD OF COMMUNITY HEALTH
April 13, 2006

The Board of Community Health held its regularly scheduled meeting in the Floyd Room, 20th Floor, West Tower, Twin Towers Building, 200 Piedmont Avenue, Atlanta, Georgia. Board members attending were Jeff Anderson, Chairman; Richard Holmes, Vice Chairman; Mark Oshnock, Secretary; Inman English, M.D.; Mary Covington; and Ross Mason. Commissioner Rhonda Medows was also present. (A List of Attendees and Agenda are attached hereto and made official parts of these Minutes as Attachments # 1 and # 2).

Mr. Anderson called the meeting to order at 12:04 p.m. The Minutes of the March 9 meeting were UNANIMOUSLY APPROVED AND ADOPTED.

Mr. Anderson began his opening comments by stating that the board will be taking a tour of the Marcus Institute after the board meeting today from 2:30-4:30 p.m.

Mr. Anderson asked Dr. Medows for the Commissioner's report. Dr. Medows began by introducing several key leaders in the Department; the new General Counsel Charemon Grant, the new Inspector General Doug Colburn; and Julie Kerlin, head of the Division of Communications. Dr. Medows recognized and welcomed Senator Renee Unterman. Mr. Anderson recognized Virginia Fuller of the Attorney General's Office.

Laura Jones, Legislative and External Affairs Director, updated the Board on the Legislative Session and the status of DCH legislative proposals. The three bills that the Department initiated all passed. Senate Bill 572 was introduced to modify the existing Medicaid fraud statute to include the reality of Medicaid Managed Care. It also clarified that disputes on claims payment issues would be matters handled between the CMO and provider, not the provider and the Department. This bill was amended on the House Floor to incorporate language from HB 1473 that would have required prior legislative approval before the Department or any entity of the state could submit an 1115 waiver related to Medicaid Modernization. The amendment also contained a provision that would modify the Estate Recovery program. The language would increase the threshold from the current \$25,000 to \$100,000 before the Estate Recovery program would apply. It also stipulated that the Department could not apply the provisions of the program retroactively. The Senate disagreed with this amendment and a conference committee was appointed. The Conference Committee report changed the language requiring prior legislative approval before submitting any 1115 waivers to require that the Department must notify the Legislature instead of receiving prior approval; however, the notification constitutes an act of the General Assembly. The Estate Recovery language remained intact and a conference committee report was adopted on the last night of the session.

Dr. Medows added several comments and gave a status report about the Estate Recovery program. She said throughout the drafting and creation of this bill the department has provided factual information about the Estate Recovery program in its current state as well as what the Department believes to be the limitations by the Centers for Medicare and Medicaid Services (CMS) on the criteria. Specifically of concern was the total amount of the exemption raising it from \$25,000 to \$100,000; a second concern is the portion of the bill that allows a non-disabled adult to live in the home and be exempted from the program; and additional concerns about the final language in the bill and the need for further clarification. Dr. Medows said the Department had shared its concerns initially about the language and the proposal not being one that CMS would be able to approve. The bill has passed; it is before the Governor and the Department is awaiting his decision. In the interim, she said the Department's best response is to go forth with the intent of the Legislature and apply for the State Plan Amendment that would be required to change Estate Recovery, using the same language as in the bill. She said the Department anticipates that it will be denied by CMS. Dr. Medows said the Department does not have the option to delay implementation of the program. The Department has asked CMS and was informed that a delay is not an option. The Department will work with individuals and Medicaid members contacting the Department with questions and concerns and assist them through the process in a reasonable manner. The Department has set up additional resources to address those questions and concerns, both in the Department as well as with the consultant, Public Consulting Group (PCG). She reiterated that DCH could not change the program unless it has a law signed and CMS approval to change the program. Dr. Medows said the May 1 implementation date remains intact. If there is a change in the program, the Department will notify the Medicaid members.

Ms. Jones continued her update with House Bill 1308 relating to collection of the quality assessment fee by the managed care companies, changing the collection from quarterly to monthly and authorizes that the fee not exceed the amount required by federal law.

Ms. Jones said the Department's last bill, House Bill 1372, a housekeeping bill for the SHBP, contained provisions for the termination of coverage for those contract groups who failed to remit their premiums. It also changed the date when the DCH Commissioner is required to notify the payroll location of the employer share of the premiums. Initially the bill required that bills affecting benefits and eligibility be introduced in the first year of the two-year session and lay over for further study and actuarial analysis during the interim, and once that information is collected, the bill would move forward the next Session. The House removed this provision; the Senate added it back. In Conference Committee this provision was tweaked to require that a fiscal note be attached to these bills before they move forward. Also attached to this bill is a provision that creates the House Asthma Strategic Planning Study Committee. A representative of DCH will be a part of this Committee.

House Bill 1224 Health Share Volunteers in Medicine Act clarifies that volunteer clinics may employ and compensate clerical and administrative staff. It also clarifies the definition of low income persons for the purpose of this program.

House Bill 1371 Pharmacy Audit Bill of Rights establishes certain rights of pharmacies undergoing audits by insurance companies, managed care companies, the state or any pharmacy benefit managers. In the end, several of the rights that were first set out were deleted or amended.

House Bill 1178 Program for Unused Prescription Drugs would authorize the State Board of Pharmacy and the Departments of Human Resources and Community Health to jointly develop and implement a statewide program whereby unused prescription drugs may be transferred from long-term care facilities to people who are medically indigent. It would require that the statewide program be implemented no later than January 1, 2007 unless a pilot project is implemented which would change the statewide program implementation to July 1, 2008. The Conference Committee report added language authorizing the State Medical Education Board to expand the criteria under which they evaluate applications for their loan program, clarified the definition of a rural county, and allows pharmacists to object to filling certain prescriptions. (A copy of the Legislative Update is attached hereto and made an official part of these Minutes as Attachment # 3).

Mr. Anderson called on Carie Summers to give the Chief Financial Officer's report. Ms. Summers began with the final FY 07 budget and summarized the changes made by the General Assembly to the Governor's original budget recommendations. The budget passed on March 30 and the final appropriation is about \$11.5 million less in state fund appropriations than recommended by the Governor. There are several additions to the budget; funds for the cancer treatment center at Oconee Medical Center (\$150,000 total funds); one-time funding to the Georgia Association for Primary Health Care to establish a statewide electronic medical record system to link federally qualified Community Health Centers (\$750,000 total funds); additional funds to support the AHEC network (\$150,000 total funds); funding for Southwest Georgia Cancer Coalition (\$200,000 total funds); funds for the Georgia Cancer Coalition from the renewal of breast cancer car tags (\$500,000 total funds); annualize 10 new slots from HB 1026 and add 142 slots to the Independent Care Waiver Program (\$8.5 million total funds); funding for dental coverage for pregnant women, limited to certain procedure codes (\$6.5 million total funds); increase reimbursement rate to \$67.38 for Health Checks for children ages 0 to 8 within CMO contracts (\$0 total funds added); increase the reimbursement rate to \$62.53 for speech therapy visits, code 92507 (\$900,000 total funds, but the Department estimates it will cost \$3 million to fully fund, and modifying this one code may be problematic from a systems and reimbursement policy perspective); and a \$1.2 million increase in the Governor's Recommendations to fund a monthly supplement of \$20 to be used by all persons in nursing homes, as well as those in hospice programs in nursing home settings. The Governor's recommendation was to provide the \$20 supplement to only those persons who received Supplemental Security Income (final \$2,288,002 total funds to be jointly administered by DHR and DCH).

Ms. Summers continued with reductions in state funds (\$20 million); reduction in Administrative Services Organization proposal for the Aged, Blind and Disabled population (additional cut of \$5 million); a \$6.6 million reduction to fund projected growth in Medicaid benefits; \$1.7 million reduction in money used to replace the UPL funds; \$6 million cut related to Medicaid efficiencies; and a \$549,192 reduction in funds related to costs associated with expanding the newborn screening program.

Ms. Summers said there are several items in the budget that do not have dollars associated with them but are directives to the Department to take certain actions; 1. conduct by December 1, 2006, an analysis of a Medicaid Buy-In program that would allow working Georgians with disabilities to receive healthcare through Medicaid; 2. any data warehouse system with decision support and executive information capabilities will be a single procurement that will include enterprise business intelligence capabilities with the minimum addition of Medicaid applicable data sets from DCH and DHR; 3. add one operating room to the total number of Certificate of Need permitted operating rooms for each Level One Trauma Center; 4. restore the dental codes cuts in the FY 06 budget in the PeachCare dental budget using funds already in the CMO rates as members move into risk-based managed care; 5. conduct a study of potential savings to the State Health Benefit Plan (SHBP) and Board of Regents Health Plan (BORHP) by offering a health reimbursement arrangement for every SHBP participant and fund a health incentive account that rewards changed behaviors of plan participants that have demonstrated savings; and 6. conduct a study of potential savings to the SHBP and BORHP not requiring prior approval for any proton pump inhibitor (PPI) if a drug manufacturer of the PPI provides a total net price including rebates and discounts which is equal to or less than the total net price of over the counter Omeprazole.

Ms. Summers continued with realignments; moving funding from the Indigent Care Trust fund program to the Health Care Access and Improvement Program for the operation of Hughes Spalding Children's Hospital (\$3.75 million total funds); and moving money from DHR to DCH for mental health services covered under Georgia Health Families (revised transfer amount \$17,178,027).

Ms. Summers said in summary, the Department's FY 07 budget is over \$10 billion, a 6.6% increase as compared to the FY 06 budget, and \$642 million in new total funds. After addressing questions from the Board, Ms. Summers concluded the FY 07 budget update. (A copy of the Final FY 2007 Budget memo to the Board is hereto attached and made an official part of the Minutes as Attachment # 4). (A copy of the FY 2007 Appropriations – House Bill #1027 – Highlights is hereto attached and made an official part of the Minutes as Attachment # 5).

Ms. Summers continued with discussion on the Disproportionate Share Hospital program. At the March meeting, the board approved to publish for public comment the Disproportionate Share Hospital and Indigent Care Trust Fund Hospital Payments Public Notice. The Indigent Care Trust Fund Rules will be considered for approval at the May board meeting. The Department is accepting public comment on the rules and a public hearing will be held April 26, 1:30 p.m., at the Department of Community Health. Those comments will be provided to the board for its consideration. Ms. Summers said she received two written comments on the public notice related to Division of Medical Assistance criterion # 3; specifically the concern was the definition of "charges" for Medicaid and PeachCare for Kids. Ms. Summers said the Data Subcommittee and the Hospital Advisory Committee took up this issue specifically before they concurred with the eligibility criteria before the board in the public notice.

Ms. Summers said that at the March meeting, the board asked the Department to seek an opinion from the Attorney General's office to determine if the state could make interim DSH payments. She said the Department was able to speak with the Attorney General's office through the General Counsel and CMS, and both agreed that the Department could proceed with an interim DSH payment (after a version of the Public Notice is approved). CMS has given approval to the Department to make a DSH payment of 50% based on the preliminary allocation model that is reflected in the public notice. If the notice is approved today, DCH would send notification to hospitals about their interim calculations. For those facilities that are public, the Department would request IGTs to the Department, and by the end of the month, the department would be able to take that IGT, match it with available DSH funds and make payments. The Department cannot make payments to private facilities until the Governor signs the FY 06 amended budget.

Mr. Anderson called for public comment on the public notice. Cal Calhoun, Vice President of Financial Services, Georgia Hospital Association, and Jimmy Lewis of HomeTown Health gave public comment.

Ms. Covington MADE a MOTION to approve the Disproportionate Share Hospital and Indigent Care Trust Fund Hospital Payments Public Notice. Mr. Mason SECONDED the MOTION. Mr. Anderson called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Disproportionate Share Hospital and Indigent Care Trust Fund Hospital Payments Public Notice is attached hereto and made an official part of these minutes as Attachment # 6).

Ms. Summers gave a brief update on the Upper Payment Limit program and the Hospital Advisory Committee. She said the Department is in constant negotiations with CMS on the Nursing Home and Inpatient and Outpatient UPL programs—programs that provide additional supplemental funds to nursing homes and hospitals to help with uncompensated Medicaid costs. Currently CMS is reviewing the state plan amendments and DCH is answering questions to try reaching a compromise on certain issues. Ms. Summers said the Hospital Advisory Committee will meet in May in Macon and will begin discussion on FY 07 DSH and FY 07 UPL payments. The Committee is also considering changes to the regular Medicaid inpatient hospital reimbursement. The Department will be rebaseing the inpatient rates based on more recent cost and claims data as well as updating to a new grouper. Ms. Summers concluded her report after addressing questions and comments from the Board.

Mr. Anderson called on Charemon Grant, General Counsel, to report on the Georgia Volunteer Health Care Program Rules Chapter 111-5-1. She said the rules were first proposed to the Board for initial adoption at its March meeting. Ms. Grant said since then two things have occurred; a public hearing was held on March 29, and although the Department did not receive a lot of public comment during the hearing, the Department received comments from the Georgia Hospital Association, Georgia Free Clinic Network and several individuals. Based on those comments, the Office of General Counsel met with the Executive Director of the Volunteer Health Care program and decided to make changes, amending the proposed rules. Additionally HB 1224 passed which modifies two definitions, and the Department has mirrored those changes in the rules. Based on these two events, the Department would like to submit the proposed rules as amended for initial adoption. Ms. Grant said the changes are substantive which will require under the Georgia Administrative Procedures Act another public comment period. Mr. Mason MADE a MOTION to publish for public comment the Georgia Volunteer Health Care Program Rules 111-5-1 as amended. Mr. Holmes SECONDED the MOTION. Mr. Anderson called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the amended Chapter 111-5-1 Georgia Volunteer Health Care Program Rules is attached hereto and made an official part of the Minutes as Attachment # 7).

Mr. Anderson called for public comment. Ms. Ann Williams, Legislative Chair for the Council on Aging, Dawn Randolph of AARP Georgia, and Kim Raymond of the Senior Citizens Advocacy Project gave comment on Senate Bill 572.

There being no further business to be brought before the Board at the meeting Mr. Anderson adjourned the meeting at 1:15 p.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE _____ DAY OF _____, 2006.

JEFF ANDERSON
Chairman

ATTEST TO:

MARK D. OSHNOCK
Secretary

Official Attachments:

- #1 List of attendees
- #2 Agenda
- #3 Legislative Update
- #4 Final FY 2007 Budget memo to the Board
- #5 FY 2007 Appropriations – House Bill #1027 – Highlights
- #6 Disproportionate Share Hospital and Indigent Care Trust Fund Hospital Payments
Public Notice
- #7 Amended Chapter 111-5-1 Georgia Volunteer Health Care Program Rules